



**EDWARD ASSCHER  
WDC PRESIDENT**

**ADDRESS TO OPENING SESSION  
OF 2021 KP PLENARY, NOVEMBER 8<sup>TH</sup> 2021**

Dear honorable Chair, dear honorable Vice-Chair, your Excellencies, dear Colleagues, Ladies and Gentlemen.

As we open the Kimberley Plenary today, another international meeting is taking place – the COP 26 UN Climate Change Conference in Glasgow. There, political leaders and scientists from around the world are desperately searching for solutions to problems that have been discussed for years, but so far have been inadequately dealt with. Today however, with large parts of our planet under existential threat, it is crystal clear that decisive action is needed, and not just empty statements and declarations.

At the close of the Intersessional in June, I spoke to this forum about the critical importance of consumer confidence. I stressed that it underpins the value of all diamonds. Yes, there is an intrinsic cost in mining, polishing, and marketing diamond jewelry, but all of that is meaningless if our product is not able to keep the confidence of consumers or even worse loses it. I also pointed to research that overwhelmingly indicates that younger consumers, both in the Peoples Republic of China and in the United States of America, are increasingly likely to base a purchasing decision on a product's perceived record on sustainability, human rights, social justice and the environment.

Let us be honest, the deliberations at the summit in Glasgow this week are considerably more on the minds of younger consumers than any of the discussions we are having at the KP Plenary. This is a generation that no longer is prepared to tolerate environmental mismanagement, or what it perceives as social injustice. These are the young people who are marching in the streets.

The diamond is a product that has the potential to both speak to the aspirations of this new generation, as a natural resource with the potential of providing sustainable economic and social opportunities to the communities that produce it, or be rejected, as a non-essential luxury item associated with violence and suffering. We have the ability to decide that choice, but we will do so only through actions and not empty words.

It is here in the Kimberley Process that such actions must be initiated.

We in the industry are not sitting idly by, waiting for governments to find a common voice on issues related to human rights, responsible sourcing and sustainability. But the ability to supply the required assurances to consumers, is not evenly distributed. Larger and more established companies have the ability to independently monitor their supply chains. For alluvial, small-scale miners and other Small and Medium Enterprises (SMEs), the situation is considerably more complicated.

During the Intersessional in June, I warned about the emergence of a two-tier diamond industry, where the upper, more established tier is able to meet consumer expectations, and thus ensure a growing market share. But the lower, less established tier, which does not meet minimum consumer-requirements, will see its market share diminishing, often through no fault of its own.

The victims of this two-tier industry will not only be SMEs, or the artisanal and small-scale miners, but the individuals, communities and entire economies that rely on revenues generated by diamonds for their livelihoods and future development.

I commend the efforts of some of the larger companies in our industry, like ALROSA, Chow Tai Fook, De Beers, Signet and Tiffany, who invest considerable thought, effort and capital in improving the lives of all the people involved in our trade, as well as their communities and countries. We also commend the efforts of the Responsible Jewellery Council (RJC). Their best practices showcase their leadership.

But, from my perspective, a basic rule of life in an international community such as ours must be that **we do not leave anyone behind**. What does this mean in practice? It means we do not want a two-tier industry or market.

The WDC does not want to leave any producing country behind, nor any of the small or medium sized traders, polishers or retailers.

On September 21st this year, the UN-declared International Day of Peace, the World Diamond Council took concrete action to address what we believe could possibly prevent the creation of a two-tier industry. We launched our upgraded System of Warranties, which continues to support the trade in KPCS-compliant diamonds throughout the supply chain, and at the same time indicates that they comply with universal human rights and labor rights, and with essential principles of anti-corruption and anti-money laundering.

One of the countries we are most concerned about is the Central African Republic. The WDC deplors the veto in the Security Council of the budget for the panel of experts in CAR, which was the ears and eyes of the UN on the ground, reporting objectively about problems in the country. As far as the WDC is concerned, right now there is no justification to expand the green zones in CAR.

Furthermore, if the conditions of the new Operational Framework are not met, we should return to the old framework. In other words, we should go back to carrying out inspections before a shipment is approved for export from CAR, rather than following up after the shipment already has taken place.

Progress is possible. I commend the Chair and Vice-Chair for introducing the Seven Principles of Responsible Sourcing of Natural Diamonds. Frame 7, as we are now calling them, it is long overdue and could be a beacon for the discussions taking place this week.

But why do we persistently fail to make substantive progress on expanding the definition of conflict diamonds – a move that almost all of us understands is necessary?

Will we once again discuss the subject, hinting that change is within reach, but then withdrawing at the last moment, leaving us no closer to a solution that we were beforehand?

Why has the KP not demonstrated the ability, as it did in 2003 when it launched the KPCS, to initiate globally the systemic changes that are needed to protect all involved in rough diamond production? **This is the action required to prevent the formation of a two-tier industry.**

Your Excellencies, Dear colleagues, Ladies and Gentlemen, doing nothing is not an option anymore. We cannot afford to lose the battle for consumer confidence, especially when the alternatives for natural diamonds are gaining in market share.

I hope that at the summit in Glasgow, the leaders of our nations are able to reach agreement on concrete programs that will slow and then halt our planet's slide toward environmental disaster.

And, here at the KP Plenary, I hope that we have the courage to take the steps necessary to ensure that the diamond retains its allure for consumers, ensuring the future of our business and that of our children all along our supply chain.

Thank you.